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C E N T R A L I N T E L L I G E N C E A G E N C Y

17 April 1953

SUBJECT: SE-43: REACTIONS OF THE NON-COMMUNIST WORLD TO  
CURRENT COMMUNIST TACTICS

THE PROBLEM

To estimate the probable effects of current Communist "peace"  
tactics on the peoples and governments of the non-Communist world.

ESTIMATE

1. The Communist shift in tactics has been manifest for so  
brief a period that there is as yet little evidence on which to base  
an estimate of the effects upon the peoples and governments of the  
non-Communist world. The popular reactions have been on the whole  
at least guardedly hopeful, while the reactions of most governments  
and political leaders have been tentative and cautious.

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2. The fact that the change in tactics followed almost immediately on Stalin's death could easily be interpreted by the free peoples as a real change in Soviet policy. Moreover, the moment is one in which the governments and peoples of the non-Communist world are likely to be receptive to conciliatory gestures by the Kremlin because they are presently confronted with such problems as uneasiness over possible US measures to end the Korean War, the delay in the ratification of the European Defense Treaty and the German Contractual Agreements, and economic strains attendant upon efforts to raise defense programs to higher levels. Communist concessions on the POW issue sufficient to bring about an armed truce in Korea combined with minor concessions elsewhere and a series of conciliatory gestures and statements could be well calculated to play upon this receptivity.

3. The peoples and governments of Western Europe would welcome even minor concessions as a contribution to peace, but the Western governments would be disposed to await further Soviet acts in the conviction that minor concessions, and even the signing of an Austrian peace treaty, would not end the menace presented to Western Europe by Communism and Soviet power. However, in the unlikely event

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that the Kremlin offered to surrender its control over East Germany and agreed to the establishment of a united, democratic and neutralized Germany, the governments of Western Europe, including the West German Government, would almost certainly accept such a proposal as evidence of a genuine shift in Soviet policy.\*

4. If, as we believe probable, the Kremlin is unwilling to accept any solution of the German problem which would jeopardize Soviet control over East Germany, we do not believe the "peace" tactics of the USSR would wreck NATO or have other decisive results in Western Europe. However, the Western defense effort would probably slacken, military budgets would be cut, and present force levels would be reduced.

5. A relaxation of tension, no matter how slight, would be used by the French as an excuse to delay ratification of EDC. The French reaction to EDC would be even more negative, if the USSR went beyond conciliatory gestures and minor concessions and, for example, agreed to an Austrian peace treaty. However, over the long run,

\* The Deputy Director for Intelligence, The Joint Staff, believes that with respect to Germany the Kremlin may be willing to withdraw its troops from East Germany, if the Soviet Union considered that by doing so it could force the Western Powers to withdraw their troops from West Germany, and frustrate the EDC program and the rearmament of Germany. The Communists may also make proposals for free elections and for the reunification of Germany, in the hope that they would be able to secure a demilitarized and neutral German state.

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French action on EDC would probably be determined by the unwillingness of France to jeopardize the alliance with the US or to risk a German-American "understanding" from which France would be excluded.

6. Far Eastern issues which may arise in connection with or subsequent to an armistice in Korea are likely to be the most immediate source of danger to the relations between the US and its European allies. The views of the US and these allies might seriously diverge on a political settlement in Korea, on the future of Formosa and the Chinese Nationalist Government, on Communist China's admission to the UN, and on trade with Communist China. The consequences of such divergence would be most serious if the European allies of the US believed that the US was responsible for the failure to settle Far Eastern issues, and that this failure prevented the settlement of other pressing issues, particularly in Europe.

7. If an armistice were concluded in Korea, there would probably not be fundamental shifts in the alignment of the non-Communist Far Eastern states. An armistice would result in a widespread belief

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in Japan that a major barrier to normal political and economic relations in Asia had been removed, and while the alignment with the US would continue, there would be strong pressure for the resumption of economic and political relations with Communist China and the USSR. An armistice would create serious problems for the Chinese Nationalists and the Republic of Korea. In Southeast Asia, the effects of an armistice would be determined in part by Communist ability to convince the governments in that area that the Indo-China war was a colonial war and that the Viet Minh was not an instrument of Communist imperialism. In any case, the neutralist governments of Burma and Indonesia would probably support Chinese Communist efforts to gain UN membership.

8. Communist "peace" tactics would probably have only minor effects in the Middle East and South Asia, where the importance of the East-West struggle has tended to be overshadowed by local concern over more immediate problems such as the Palestine dispute, the Kashmir issue, and the vestiges of colonial power in the area. Greece and Turkey would remain committed to the West. India would feel vindicated in its refusal to align itself with either power Bloc. In Iran it is unlikely that the Soviet "peace" tactics would include a lessening of Tudeh agitation against Western influence, and this agitation would probably be more effective if Iranian fear of Soviet aggression declined. In Egypt and Iraq, the Communist "peace" tactics

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would strengthen Nationalist arguments against Western control of military base facilities. The prospect for the conclusion of regional defense arrangements involving Western participation, such as MEDO, would be further diminished.

9. Ostensibly attractive trade offers which could be expected to accompany the "peace" tactics might constitute an increasingly formidable Communist weapon, particularly if there were economic reverses in the West. Japan would be particularly receptive to Communist trade offers following a Korean armistice because any reduction in American military expenditures in Japan would bring serious economic problems to the fore almost at once. In West Germany any contraction of export markets would greatly increase the pressure for trade with the Bloc.

10. We believe that Kremlin proposals on disarmament are not likely to find acceptance in most non-Communist countries or to divide the Western allies so long as major political issues remain outstanding between East and West.

11. The reactions of non-Communist peoples and governments will be influenced greatly by the manner of the US response to the new Communist tactics. Should the US response be seen abroad as adamantly negative, there would be a decline in the willingness of other states to follow US leadership. On the other hand, if it appeared that the US, relying on Communist professions of peaceful intent, was about to reduce drastically its defense effort and its

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aid to its allies, the confidence of the Western Powers in US leadership would be shaken. If, however, the US appeared willing to negotiate, in consultation with its allies, but at the same time appeared determined to maintain its military readiness and defensive posture, there would be little likelihood that the Communist "peace" tactics would separate the other Western Powers from the US, which is almost certainly a primary aim of these tactics.

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10. With the important exceptions of Korea and Indochina, the Communists have for some time attempted to guide the Communist struggle in Asia more into political channels. Further "peace" moves, such as a Korean armistice may, therefore, be viewed as a major projection of these Communist tactics. Continuation of the Indochina war, which many Asian nations regard as a national struggle for independence rather than as an instrument of Communist imperialism, would probably not undermine the effectiveness of Communist peace moves elsewhere in Asia. In particular, a truce in Korea would create a belief in Japan and Southeast Asia that the major barrier to the normalization of political and economic relations in Asia was removed.

11. In Japan, there would be increased concern over the country's economic future and an intensification of internal pressures for a re-examination of Japan's alignment with the U.S. and of its present degree of isolation from the Communist Bloc. In Southeast Asia the neutralist governments of Burma and Indochina, would probably support Chinese Communist efforts to gain UN membership. "Peace" moves are not likely to affect the situation in Malaya although it is possible that local Communist morale will decline and a curtailment of guerrilla activities will occur. A truce in Korea <sup>Qman</sup> probably would create serious problems for the National <sup>Chinese</sup> government of China and the Republic of Korea <sup>since it would jeopardize the policies and</sup> aspirations of these governments.

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(Paragraph 7, as revised at clean-up session by IAC representatives)

7. If an armistice were concluded in Korea, there would probably not be fundamental shifts in the alignment of the non-Communist Far Eastern states. An armistice would result in a widespread belief in Japan that a major barrier to normal political and economic relations in Asia had been removed, and while the alignment with the US would continue, there would be strong pressure for the resumption of economic and political relations with Communist China and the USSR. An armistice would create serious problems for the Chinese Nationalists and the Republic of Korea. In Southeast Asia, the effects of an armistice would be determined in part by Communist ability to convince the governments in that area that the Indo-China war was a colonial war and that the Viet Minh was not an instrument of Communist imperialism. In any case, the neutralist governments of Burma and Indonesia would probably support Chinese Communist efforts to gain UN membership.

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9. Adoption by the Communist Bloc of more positive peaceful tactics toward the non-Communist world would tend to lessen US effectiveness in the Near East, South Asia, and Africa. Greece and Turkey would remain unequivocally committed <sup>to the West</sup> against the USSR, but India would feel vindicated in its refusal to align itself with either power bloc and would probably pose as mediator in any outstanding differences between East and West. The US position in Iran would be seriously compromised: with the attraction of increased trade and adjustment of political differences with the Soviet Union and with the prospect of decreased American interest in the country, Iran might be expected to orient its outlook more to the north. With the apparent passing of the Soviet threat to the Near East, the West would suffer considerable loss of its bargaining power with the Arab States. The prospects for <sup>this condition</sup> any regional defense arrangements, such as MEDO, would become dim, indeed. In North Africa, tensions between the metropolitan powers and native nationalists would probably be intensified by increased French resolution to suppress autonomy movements and by increased nationalist expectation of US support. Throughout the Near East, South Asia, and Africa, local Communist Parties would tend toward integration with front organizations and thereby accelerate the progress of social revolution within the countries of the area. With the apparent passing of East-West tension, Middle Eastern expectations of American economic assistance, following any reduction in American military expenditures, would probably be beyond US capabilities. The Small Powers of the area would tend increasingly to align themselves in regional blocs in their relations with the Great Powers, both in and out of the UN.

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